

# Mobile Phone Analysis

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Cross Department Issue

1/19/2010

## CountyStat Principles

- **Require Data-Driven Performance**
- **Promote Strategic Governance**
- **Increase Government Transparency**
- **Foster a Culture of Accountability**



# Agenda

- **Welcome and introductions**
- **Meeting goal and purpose**
- **Scope of mobile phone use in the County**
- **Current mobile phone management and administration**
- **Data analysis**
  - Non-Usage
  - Minimal Usage
  - Overages
- **Recommendations**
- **Wrap-up and follow-up items**



## Meeting Goal

- **Analyze mobile phone use across County operations in order to pinpoint opportunities to reduce mobile phone expenditures**
- **Articulate management processes used in processing and tracking mobile phone use**
- Anticipated Meeting Outcomes:
  - Reduce/eliminate phones with no use over the last 3 months
  - Optimize phone plans to better match use
  - Improve management processes to facilitate accurate processing and tracking of mobile phone use



## Scope of Mobile Phone Use in the County

- **County departments provide many employees with cell phones to use on the job**
  - Example: Employees in the field use County cell phones to communicate with clients and home offices
- **County maintains contracts with 3 major mobile phone providers**
  - Sprint Nextel, AT&T, Verizon
- **Based on data from those providers, the County maintains 4,669 mobile phone numbers.<sup>1</sup>**
  - 1: This includes 1,809 mobile “connection cards,” which enable mobile network use in laptop computers (i.e. in emergency vehicles)



# Administrative and Managerial Responsibilities

	Contract initiation and management	Approving phone issuance to employees	Establishing standards for use	Ensure compliance w/standards for use	Phone plan selection and periodic evaluation	Billing and payment approval	Maintenance of phone inventories
DTS	X		X				
CAO			X				
User departments		X		X	X	X	X
Phone providers					X		

This table lays out mobile phone management responsibilities, per current Administrative procedure.



Source: Administrative Procedure 6-2, Use of County-Provided Cellular Telephone Service,  
Dated 12-9-2004

# Administrative and Managerial Responsibilities

## Management and Process Findings

- **Each department manages its mobile phone accounts, including:**
  - Approving phone issuance
  - Employee use
  - Plan selection, billing and payment approval
  - Maintenance of phone inventories
- **Each department may have multiple accounts, each account representing multiple users**
  - Example: Sprint currently has 92 billing account numbers (BAN), with between 1 and more than 1000 users on each BAN
- **Based on Sprint's assessment, over- and under-charging errors in billing occur regularly, requiring staff time and effort on both ends to repair**
  - Police has made successful efforts to consolidate accounts to improve tracking and minimize errors



## Scope of Mobile Phone Use in the County

Mobile Phone Provider	# of Phone Lines (Billed Subscribers)	Sum of Current Monthly Plan Cost	Estimated 12-month Cost
<b>Sprint Nextel</b>	3,925 (All devices)	\$156,847	\$1,882,164
	2,116 (Phones only)	\$85,751	\$1,029,012
<b>AT&amp;T</b>	693	\$38,301	\$459,612
<b>Verizon</b>	51	\$6,921	\$83,052
<b>Total</b>	<b>4,669 (All devices)</b>	<b>\$202,069</b>	<b>\$2,424,848</b>
	<b>2,860 (Phones only)</b>	<b>\$130,973</b>	<b>\$1,571,676</b>

- The County also pays for department-approved mobile phone numbers separate from these three contracts
  - These data does not include those phone lines



Note: For Sprint and Verizon, this data is current as of Sept 2009, the month the data was extracted. For AT&T, this data is current as of May 2009.



# Scope of Mobile Phone Use in the County

## FY09 Expenditures on Mobile Communications

Department	Total FY09 Expenditures	Department	Total FY09 Expenditures
POL	\$361,329	CEX	\$27,563
FRS	\$291,347	HCA	\$18,311
HHS	\$200,320	RSCs	\$18,174
DPS	\$135,395	LIB	\$13,713
DTS	\$133,890	BOE	\$12,888
DOT	\$77,089	Wheaton Urban District	\$12,057
COR	\$55,167	HRC	\$7,971
DEP	\$51,644	OEMHS	\$7,969
REC	\$49,567	CUPF	\$4,242
DGS	\$45,330	OMB	\$4,184
DLC	\$37,068	OCP	\$2,280
DED	\$28,126		
<b>Total FY09 Expenditures (Executive Departments)</b>		<b>\$1,386,851</b>	



Source: FAMIS/Financial Switchboard (All FY09 expenditures to subobject codes 3002, 3009, and 3016)

# Mobile Phone Provider Data

## Summary of Minimal and Non-Usage Phone Lines and Cost

Scenario	# of Phone Lines (Billed Subscribers)		Sum of Current Monthly Plan Cost	Estimated 12-month Cost
Users w/ 0 Min & 0 Data Use	All devices	582	\$19,779	\$237,348
	Phones only	300	\$8,618	\$103,421
Users w/ Minimal Phone Use & 0 Data Use	All devices	617	\$20,103	\$241,233
	Phones only	457	\$11,108	\$133,298
Users w/ No Phone Use & Minimal Data Use	All devices	669	\$24,413	\$292,954
	Phones only	324	\$9,125	\$109,512
Users w/ Minimal Phone Use & Minimal Data Use	All devices	848	\$29,281	\$351,371
	Phones only	481	\$12,868	\$154,415
Total	All devices	2,047	\$93,576	\$1,122,906
	Phones only	1,562	\$41,719	\$500,646



# Mobile Phone Provider Data

## Non-Usage: Phone and Data

	Users w/ 0 Min & 0 Data Use	% of Total Subscribers	Sum of Current Monthly Plan Cost	Estimated 12-month Cost	Average 12-month Cost per Phone (Est.)
Sprint Nextel	577 (All devices)	15%	\$18,694	\$224,324	\$389
	295 (Phones only)	14%	\$7,533	\$90,397	\$306
AT&T	No data provided by AT&T on data usage.				
Verizon	5	10%	\$1,085	\$13,024	\$2,605
All Providers	582 (All devices)		\$19,779	\$237,348	\$408
	300 (Phones only)		\$8,618	\$103,421	\$345

This table looks at the subset of County mobile phone subscribers using zero minutes over the last 3 months, and the subset using zero minutes and no data use.



Source: Data provided by Sprint, AT&T and Verizon

# Mobile Phone Provider Data

## (A) Minimal Phone Use & No Data Use / (B) No Phone Use & Minimal Data Use

	(A) Users w/ Minimal Phone Use & 0 Data Use	% Total Subscrib ers	Sum of Current Monthly Plan Cost	Estimate d Cost over 12 months	Average 12- month Cost per Phone (Est.)	(B) Users w/ No Phone Use & Minimal Data Use	% Total Subscrib ers	Sum of Current Monthly Plan Cost	Estimate d 12- month Cost	Average 12- month Cost per Phone (Est.)
<b>Sprint Nextel</b>	734(All)	19%	\$22,107	\$265,282	\$361	689	18%	\$23,237	\$278,845	\$405
	452 (Phones only)	21%	\$10,946	\$131,354	\$291	322	15%	\$8,979	\$107,760	\$335
<b>AT&amp;T</b>	No data provided by AT&T on data usage					No data provided by AT&T on data usage				
<b>Verizon</b>	5	12%	\$162	\$1,944	\$389	2	5%	\$146	\$1,752	\$876
<b>All Providers</b>	<b>617 (All devices)</b>		<b>\$20,103</b>	<b>\$241,233</b>	<b>\$391</b>	<b>669</b>		<b>\$24,413</b>	<b>\$292,954</b>	<b>\$438</b>
	<b>457 (Phones only)</b>		<b>\$11,108</b>	<b>\$133,298</b>	<b>\$292</b>	<b>324</b>		<b>\$9,125</b>	<b>\$109,512</b>	<b>\$338</b>

The following two slides lay out subsets of total subscribers, based on zero to minimal phone and/or data use. For this purpose, minimal phone use is defined as less than 60 min/mo, and minimal data use is less than 5,000 kb/mo.



Source: Data provided by Sprint, AT&T and Verizon

# Mobile Phone Provider Data

## (C) Minimal Phone Use & Minimal Data Use

	(C) Users w/ Minimal Phone Use & Minimal Data Use	% of Total Subscribers	Sum of Current Monthly Plan Cost	Estimated 12-month Cost	Average 12- month Cost per Phone (Est.)
<b>Sprint Nextel</b>	839 (All devices)	21%	\$26,650	\$319,803	\$381
	472 (Phones only)	22%	\$12,393	\$148,717	\$315
<b>AT&amp;T</b>	No data provided by ATT on data usage				
<b>Verizon</b>	9	22%	\$475	\$5,698	\$633
<b>All Providers</b>	<b>848 (All devices)</b>		<b>\$29,281</b>	<b>\$351,371</b>	<b>\$414</b>
	<b>481 (Phones only)</b>		<b>\$12,868</b>	<b>\$154,415</b>	<b>\$321</b>

For this purpose, minimal phone use is defined as less than 60 min/mo, and minimal data use is less than 5,000 kb/mo.



Source: Data provided by Sprint, AT&T and Verizon

# Mobile Phone Provider Data Overage Analysis

## Verizon

Avg % of Subscribers Incurring Overages	Monthly Overages Across all Verizon Phones	Estimated 12-month Overage Cost
58%	\$221	\$2,654

## Sprint Nextel

Avg % of Subscribers Incurring Overages	Monthly Overages Across all Sprint Phones	Estimated 12-month Overage Cost
--	\$713	\$8,556

Note: Sprint Nextel identified “cellular charges”, which can include international long distance, call forwarding, roaming or any overage charges.

Based on data from Sprint and Verizon, in total, County mobile phone users incur \$934 in overage costs per month.



# Mobile Phone Provider Data

## Estimated Monthly Savings from Optimizing All Plans

- All three providers were asked to assess each subscriber's phone use, and recommend appropriate plan changes to minimize cost

	Users w/ Recommended Plan Changes	% of Total Subscribers	Sum of Monthly Plan Savings	Sum of 12-month Savings
<b>Sprint Nextel</b>	3,029	77%	\$12,160	\$145,920
<b>AT&amp;T</b>	381	55%	\$1,269	\$15,228
<b>Verizon</b>	39	95%	\$755	\$9,060
<b>All Providers</b>	<b>3,449</b>		<b>\$17,663</b>	<b>\$170,208</b>

This includes the optimization of all plans, at all levels of subscriber use. Recommendations from the providers only involve altering plan terms, not terminating service. For example, of the 3,029 Sprint Nextel plan changes recommended, 434 of those lines have zero use.



Source: Data provided by Sprint, AT&T and Verizon

# Results of Data Analysis

## Use

- 582 billed subscribers, *12% of total County users*, have not used their mobile device over the last 3 months.
- 1,286 subscribers, *28% of total County users*, have either a. not used their phone minutes and minimally used data, or b. not used the data, and minimally used their mobile device minutes.
- A further 848 subscribers, *18% of total County users*, minimally use both their mobile device and data plan.

## Overages

- Based on data from 2 of the 3 providers, on average, the County spends \$934 a month of overages.

Improved practices to address these areas, such as better matching of plans to phone use, would result in significant cost savings. In addition, better tracking reports and agency oversight could eliminate unnecessary cell phones, result in savings, and help ensure cell phone charges are consistent with business needs.





## Recommendations

<b>Issue notice that all phones unused for 3 months will be disconnected.</b> <ul style="list-style-type: none"> <li>▪ Establish an exception process for phones that are needed, but little used.</li> </ul>	Pros	<ol style="list-style-type: none"> <li>1. This would result in near-term, quantifiable savings.</li> <li>2. This would provide an incentive for departments to check on phone use, and update inventories.</li> <li>3. The exception process would allow offices with, for example, 1 mobile phone for on-call, emergency use to retain that phone.</li> </ol>
	Cons	<ol style="list-style-type: none"> <li>1. Even with an exception process in place, it might result in needed phones being eliminated.</li> </ol>
<b>Reform governance by assigning responsibilities for mobile phone acquisition, administration, and monitoring to one department.</b>	Pros	<ol style="list-style-type: none"> <li>1. There would be consistently applied standards for issuing and administering mobile phones across the executive branch.</li> <li>2. Periodic monitoring and optimization of phone plans could be accomplished more systematically.</li> </ol>
	Cons	<ol style="list-style-type: none"> <li>1. Departments might have less flexibility in applying policies.</li> </ol>

Several states and counties, including the States of Oregon, Colorado and Connecticut and Westchester County, among others, have engaged in similar analysis in order to reduce expenditures and better meet their business needs.



## Recommendations

<b>Periodically conduct departmental mobile phone needs assessment. Adjust phone plans and inventories to match needs.</b>	<b>Pros</b>	<ol style="list-style-type: none"> <li>1. Staff would have plans appropriate to their business needs/level of use.</li> <li>2. This would ensure the County is not paying for little-used phones and/or plans that don't match departmental needs.</li> </ol>
	<b>Cons</b>	
<b>Consider offering a subsidy to employees to use a personal cell phone in lieu of a County-owned phone to conduct County business.</b>	<b>Pros</b>	<ol style="list-style-type: none"> <li>1. County would avoid equipment cost.</li> <li>2. Employees would only have to keep track of one device and have more flexibility to purchase device of their choice.</li> <li>3. County would avoid portion of monthly plan costs, and overage costs.</li> </ol>
	<b>Cons</b>	<ol style="list-style-type: none"> <li>1. Risks would have to be assessed.</li> <li>2. Additional standards for privacy and use would have to be considered.</li> </ol>



## Other Potential Savings

- **This presentation deals specifically with reducing mobile phone costs by eliminating/reducing phones that aren't used on a regular basis**
- **CountyStat did not analyze the following other possible savings alternatives:**
  - Merging all phone accounts into one vendor to encourage competitive pricing
  - Reusing phone equipment rather than purchasing new phones/Blackberries
  - Monitoring phone inventories to ensure that all County phones are through County contracts



## Wrap-up

- Follow-up items

